

SEATTLE CITY LIGHT 6 YEAR STRATEGIC PLAN

New Efficiencies Initiative

Summary:

Revised transmission, distribution and generation processes -	\$15 m annual savings
Improved project management on capital projects -	\$985,000 annual savings
Modified cost allocation and service level agreements -	\$360,000 annual savings
Other Improvements -	\$1.655 m annual savings
Total:	\$18 m annual savings

Transmission & Distribution ¹

\$12 million annual savings

Initiative # 1

Create Compatible Units for Engineering and Operations work groups to standardize design and construction practices.

Purpose of Initiative / Strategic Advantage

This is an ongoing Asset Management initiative. The creation of Compatible Units will help to standardize system design, project cost estimates and construction practices. Standardizing these elements will decrease the time needed for the design and construction phases of projects and will help to hold down project costs.

Initiative #2

Reinforce 20% of appropriate depreciated poles with wood stub or steel stay instead of replacing pole.

Purpose of Initiative / Strategic Advantage

SCL does not fully utilize pole stays as a permanent repair for depreciated wood poles. Our practice has been to treat stays or stubs as a temporary repair in virtually all cases. This initiative will be the foundation for a change in both policy and practice in regards to pole replacement. We under-value and under-utilize a valuable tool that has been in use and embraced by the industry for many years.

Initiative #3

Identify bodies of work for Overhead crews that can be easily segregated and contracted during peak workload.

Purpose of Initiative / Strategic Advantage

¹ Management Prerogative Initiatives – re-negotiation of labor contracts not required)

To maintain high levels of customer service, customer satisfaction and budgetary expectations when workload exceeds the available SCL resources, with management's discretion, specific bodies of work will be contracted.

Initiative #4

Identify bodies of work for Underground crews that can be easily segregated and contracted during peak workload.

Purpose of Initiative / Strategic Advantage

To maintain high levels of customer service, customer satisfaction and budgetary expectations when workload exceeds the available SCL resources, with management's discretion, specific bodies of work will be contracted.

Initiative #5

Identify bodies of work for Civil crews that can be easily segregated and contracted during peak workload.

Purpose of Initiative / Strategic Advantage

To maintain high levels of customer service, customer satisfaction and budgetary expectations when workload exceeds the available SCL resources, with management's discretion, specific bodies of work will be contracted.

Initiative #9

Equip all Line crews with the tools to set poles and transfer lines without specialized Pole crews.

Purpose of Initiative / Strategic Advantage

The purpose of this initiative is to move the utility away from specialized pole setting and line transfer crews and toward a more versatile and flexible crew that can perform most any task. An investment in certain types of equipment will be needed in order to achieve the objectives of this initiative. Implementation of this initiative will allow for fewer trips to the work site and less setup and breakdown time. Jobs will be completed in less time with fewer labor hours.

Initiative #16

Establish one person Street Light crews where appropriate.

Purpose of Initiative / Strategic Advantage

This initiative addresses the need to get the right size crew on any given job. The initial crew (Green Team) response to a street light outage report is well defined and well understood. That body of work seldom requires two people to perform the necessary tasks. When this observation is combined with the growing number of highly reliable LED street lights, there are opportunities for a reduction in basic Street Light crew size.

Initiative #18

Require contractors to create and provide map of meter locations for multi-meter services as opposed to utilizing SCL Meter Technicians.

Purpose of Initiative / Strategic Advantage

Services with multiple meters, like apartments, require that all the meters are mapped to confirm that each meter is connected to the proper unit. SCL does this mapping and confirmation, called a “space check”, using Meter Electricians. This initiative would require the electrical contractor on the project to provide that map and confirm connectivity. This change will save nearly 4000 labor hours per year.

Initiative #19

Equip Line Service crews to be able to set meter when installing a small service without having to schedule a Meter Electrician.

Purpose of Initiative / Strategic Advantage

Our current practice of using dedicated Meter Electricians exclusively to install meters on new or revised services for a single family residence is rather unique in the industry. Our Line Service crews make temporary connections at the time the service conductors are installed, but a meter is not installed at that time. The customer receives power at no cost during the delay between temporary and permanent connections. Nearly all utilities have lineworkers install the meter at the time the service conductors are installed. This use of workers already on site saves labor costs due to less travel time, and increases revenue because the meter is working from day one of the installation.

Initiative #22

Review and confirm SDOT permitting requirements and the traffic control necessary for Street Use permits in the downtown core.

Purpose of Initiative / Strategic Advantage

Review the exclusive use of off duty police officers for traffic control on SCL job sites.

Initiative #29

Improve performance by fully utilizing the scheduling functionality in WAMS to ensure the right size crew is assigned to each job.

Purpose of Initiative / Strategic Advantage

By fully utilizing the functionality in WAMS we can increase the predictability of workload scheduling. Using the tools provided in WAMS will allow SCL to focus on the work to be done at a level of greater detail than currently possible. Better scheduling will increase predictability and accountability while decreasing the time it takes to complete work orders.

Initiative #30

Further augment scheduling by utilizing Mobile Work Force software to improve outage response and improve customer service.

Purpose of Initiative / Strategic Advantage

This initiative picks up where initiative #29 (Improve scheduling with WAMS) leaves off. By implementing a mobile data management system like Mobile Workforce, SCL will be able to continue to refine our scheduling business model. Data can be updated in real-time by crews in the field, making “just in time” scheduling possible. With the ability to see the actual location of crews in the field, supervisors and coordinators will have an easier time finding the closest appropriate crew to handle unscheduled outages, and sending that crew any relevant information via the data link.

Generation Initiatives ²

\$3 million annual savings

Initiative # PPD-1

Develop of model for maximizing the use of water and increasing the amount of energy generated.

Purpose of Initiative/Strategic Advantage

This initiative establishes a tool that will be used by marketers and system operators for day to day decision making related to power management and water utilization.

Initiative # PPD-2

Migrate to a multi-skilled workforce.

Purpose of Initiative/Strategic Advantage

This initiative has been established to create a multi-skilled work force with capability for working across traditional trade boundaries. The advantage to this kind of work force is the ability for broader deployment of personnel, better response to outages and routine maintenance.

Initiative # PPD-3

Improve the overall level of plant automation

- 010.1 – Skagit Automation Project

Purpose of Initiative/Strategic Advantage

This initiative has been ongoing since 2009 and is a continuation of automation strategies that were developed for Boundary. This will provide funding for the next phases of design and implementation.

010.1 - Under this heading, we have developed a plan to bring an improved level of automation to Skagit based on what has been learned at Boundary and as part of a pilot implementation at Cedar Falls. This is a key element to the long-term vision for Skagit that will enable a comprehensive assessment of resource needs for hydro operations and plant communications.

² Management Prerogative Initiative – re-negotiation of labor contracts not required.

Initiative # PPD-4

Optimize planning and scheduling of generating station outages.

Purpose of Initiative/Strategic Advantage

This initiative has been established to create a disciplined process for scheduling and managing outages. The basis of outages will be framed around market conditions and risk as opposed to purely time-based planning.

Initiative # PPD-5

Optimize the use of contract resources for CIP work.

Purpose of Initiative/Strategic Advantage

This initiative has been established to ensure that certain business processes and work execution strategies are aligned. To accomplish this, certain high priority work requires additional resources at times when in-house crews are already fully utilized. Contract crews will be utilized for accomplishing work for purposes of peak work load and for work requiring specialized expertise. Over time, savings will be realized through better utilization of SCL crews.

- **Example:** Use of contract resources at Boundary for high volume CIP activities in support of equipment overhauls.

Initiative # PPD-6

Optimize Facilities Footprint/Deconstruction of non-core buildings – Skagit Facilities Plan.

Purpose of Initiative/Strategic Advantage

The purpose of this initiative is to align SCL's Skagit facilities and focus on our core mission, while meeting our license obligations. When implemented, it will enhance operational excellence through efficient facilities use at the Skagit while preserving and enhancing key elements of the communities.

Initiative # PPD-7

Establish consistent KPI's for the division.

Purpose of Initiative/Strategic Advantage

This initiative has been established to update and validate the Key Performance Indicators (KPI's) for Power Production. The revised KPI's will align more accurately to the actual operation of the hydro system and Industry Best Practice.

Initiative # PPD-8

Develop an Asset Inventory consistent with industry best practices

- 011.1 – Risk-based decision making application

Purpose of Initiative/Strategic Advantage

This initiative was established in response to a need for improved asset data for risk-based decision making and long-term planning.

011.1 - This leverages extensive development work that has been completed by the Federal Columbia River Power System (FCRPS) and provides some benchmarking as an added benefit for considering asset replacements and possible failure cycles for major components.

**Others Efficiencies
\$3 million annual savings****Improved Project Management - \$1 million annual savings**

Improved project management on capital projects could produce a savings of 0.5% in the Capital Improvement Program annually.

City Agencies - \$360,000 annual savings

Some services expected by City Light customers are provide by employees in other city departments. City Light negotiates agreements with city departments to provide these services. By revising these service level agreements to include performance measures and improved cost allocation formulas, City Light could save as much as \$360,000 annually.

Other enhancements - \$1.655 million annual savings

A range of other initiatives including improved billing processes, revised credit/collection processes, reduced City Light vehicle fleet needs, improved street-use permits and online system to track security incidents.